

annual report

NOV 1 2 1962

Inter Provincial

COMMERCIAL DISCOUNT CORPORATION LIMITED

DIRECTORS

JOSEPH FRIEBERG

President

ROBERT SCOLNICK
Vice-President and Secretary

RICHARD A. DALY, JR.

President, R. A. DALY & CO.

THOMAS H. GOOCH

Vice-President, CANADA LIFE ASSURANCE COMPANY

WILLIAM N. HOVEY

President, EQUITABLE SECURITIES CANADA LIMITED

ERIC D. SCOTT

Partner, J. H. CRANG & CO.

OFFICERS

JOSEPH FRIEBERG - President

ROBERT SCOLNICK - Vice-President and Secretary

INTER-PROVINCIAL COMMERCIAL DISCOUNT CORPORATION LTD.

HIGHLIGHTS

OPERATIONS	1962	1961
Volume of Business	\$16,619,422	\$10,757,920
Receivables at year-end	5,058,792	3,153,803
Net Profit	88,897	45,572
COMMON STOCK		
Earned per Share	.50	.26
Number of Shares Outstanding	179,611	162,839
CAPITAL AND SUBORDINATED DEBT		
Debentures	\$ 1,036,000	\$ 460,000
Preferred Stock	358,520	378,520
Common Stock	175,218	74,356
Surplus	115,988	58,395

TO THE STOCKHOLDERS

The year 1962 witnessed the continued progress of Inter-Provincial Commercial Discount Corporation Limited, and further justified management's belief in the future of commercial financing in Canada.

It is interesting to note that the nature of the commercial finance business offers growth potential beyond what may be readily apparent from statistics alone. In periods of economic strength, particularly when funds are difficult for small businesses to obtain, the demand for the commercial finance company's services is strong in terms of both new business and the requirements of established clients. In periods of recession, new business demand is again strong, due to the more cautious lending policies of conventional lenders. Because of the present tight money policies now in existence in Canada, it is expected that the demand for our services will reach an all-time high in the coming year.



GROWTH

Volume of Business, Gross Income, Net Profits, and Receivables at the year-end were all substantially higher in 1962 than in 1961. Our outstanding receivables have continued to grow in August and September, which indicates that we can expect an increase in net profits for the coming year. The company decreased the cost of the funds which it borrows, for the third straight year. With the advent of tight money in Canada we expect a slight increase this year in the cost of our borrowings, which will be offset by higher earnings.

NEW FUNDS

During the year the company sold \$1,000,000 of 6\%\% collateral trust notes, and \$600,000 of 6\%\% convertible debentures. The debentures have had the effect of increasing our capital base for borrowing from \$971,271 to \$1,685,726, and puts us in a position to increase our outstanding loans without further dilution of shareholders' equity.





PURCHASE OF WESTERN ALUMINUM

By virtue of our role as a secondary banker, we are in a privileged position to judge the merits and prospects of our various clients. This close association provides us with opportunities to take a direct interest in growing firms. An initial step in this direction is our acquisition of Western Aluminum Products Limited, a Calgary manufacturer of aluminum windows, doors, and sealed glass, selling its products directly to builders and contractors, and not to the highly competitive retail field. The company is ably managed by Mr. David Espey and Mr. Frederick Howard, and their ability is exemplified by Western Aluminum's growth over the last three years. Sales and Profits were as follows —

	Sales	Net Profits
Year ended March 31, 1960	\$ 917,677	\$10,312
Year ended March 31, 1961	1,170,837	54,219
*9 months ended December 31, 1961	1,418,784	55,844
7 months ended July 31, 1962	971,397	23,347
*change of year end.		

The company, in the first four months of this year, had sales of \$376,008 (winter months) and a loss of \$8,794 before taxes. In the next three months the company's sales were \$595,388 and its profits were \$56,455 before taxes. Sales in August and September were higher than the average for this three month period. We anticipate Western Aluminum having the best year in its history, with sales exceeding \$2,000,000 and profits after taxes exceeding \$65,000.

In closing, we wish to make acknowledgement to the men and women of our organization who have worked so diligently to advance the progress of the Company.

JOSEPH FRIEBERG, President

ROBERT SCOLNICK, Vice-President and General Manager.

Services and Divisions

ACCOUNTS RECEIVABLE DIVISION

The company supplies funds to manufacturers, wholesalers, and distributors, against the security of their accounts receivable.

The funds are made available on a day to day basis, and are in direct proportion to the amount of outstanding accounts receivables and therefore to the client's requirements.

INVENTORY LOANS

Co-ordinated with the accounts receivable program, the company provides some clients with working funds against inventories represented by field warehouse receipts, trust receipts, or chattel mortgages.

ADVANCES TO DEALERS AGAINST DEBENTURES OR CHATTEL MORTGAGES

Just as it does not seek inventory loans as such, the company does not make loans against the equipment of a client without having the accounts receivable to finance. It is regarded as additional accommodation to facilitate the operations of clients.

INSTALLMENT RECEIVABLES

Few manufacturers or dealers who sell extensively on time payments, are able to carry all of the installment paper arising from such sales. Time sellers, therefore, seek adequate and experienced outlets for the placement of such paper.



INTER-PROVINCIAL COMMERCI

Balance Sheet
(with comparative

ASSETS

		1962			1961	
CURRENT ASSETS						
Cash on hand and in bank		\$ 333,202.16			\$ 45,273.00	
Receivables						
Commercial accounts receivable	\$3,549,192.15			\$2,609,606.13		
Inventory loans	588,390.51			270,174.90		
Advances to dealers secured by debentures or chattel mortgages.	727,257.58			266,979.00		
Commercial installment receivable.	169,075.59			17,372.00		
Other receivables and assets including dealers interest receivable	102,000.88			89,807.31		
	5,135,916.71			3,253,939.34		
	2,133,710.71			3,203,707.01		
Less: Allowance for doubtful accounts	77,124.90	5,058,791.81	\$5,391,993.97	100,136.08	3,153,803.26	\$3,199,076.26
INVESTMENT IN WHOLLY OWNED SUBSIDIARY—AT COST						
Western Aluminum Products Limited			313,495.18			_
FIXED ASSETS—AT COST						
Automobiles, office equipment and leasehold improvements		65,093.27			67,976.52	
Less: Accumulated depreciation		24,848.40	40,244.87		22,930.70	45,045.82
OTHER ASSETS						
Prepaid expenses			19,375.84			26,391.64
UNAMORTIZED COST OF ACQUI- SITION OF BORROWED MONEY			174,972.62			58,550.05
			\$5,940,082.48			\$3,329,063.77
			=======================================			

Approved on behalf of the Board JOSEPH FRIEBERG ROBERT SCOLNICK Directors

DISCOUNT CORPORATION LTD.

July 31, 1962

s at July 31, 1961)

LIABILITIES AND CAPITAL

	19	062	19	61
CURRENT LIABILITIES				
Demand secured notes issued for bank advances. Short term secured collateral notes	\$1,165,000.00		\$1,000,000.00 563,968.77	
Other loans on pledged security. Interest payable on debentures.	9,862.18		315,853.66 8,625.00	
Corporation income taxes payable	1,614.09		3,248.11	
Withholding tax payable			1,866.89	
Employees income tax payable	645.85		864.95	
Accounts payable and accrued expenses	14,587.39		7,395.40	
Current portion of long term debt within one year	87,500.00	\$2,708,209.51	_	\$1,901,822.78
DEFERRED				
			12.040.10	
Provision for foreign exchange losses	_	69,796.52	12,040.10 2,871.00	14,911.10
Official field interest on notes receivable		09,190.32	2,671.00	14,911.10
RESERVES				
Due to customers when receivables are collected		636,349.59		441,058.13
LONG-TERM DEBT—SECURED				
63/4% Secured Collateral Trust Notes—maturing August 1, 1976		866,000.00		
074 / O Secured Condition Trust Notes—maturing August 1, 1970.		800,000.00		
LONG-TERM DEBT—UNSECURED				
7½% Debentures—maturing November 1, 1975	410,000.00			460,000.00
6½% Subordinated, Convertible Debentures—maturing	(00,000,00	1 010 000 00		
January 15, 1977	600,000.00	1,010,000.00		
CAPITAL STOCK AND SURPLUS CAPITAL STOCK				
Authorized				
100,000 5% preferred non-voting, non-cumulative, convertible, redeemable, par value \$5.00 each				
600,000 common shares, no par value				
Issued and Fully Paid	358,520.00		378,520.00	
71,704 preferred shares	175,218.55		74,356.37	
173,011 COMMICH SHALOS	533,738.55		452,876.37	
		640 Mac 66		511 071 76
Earned Surplus	115,988.31	649,726.86	58,395.39	511,271.76
		\$5,940,082.48		\$3,329,063.77

INTER-PROVINCIAL COMMERCIAL DISCOUNT CORPORATION LTD.

Operating Statement

For the year ended July 31, 1962 (with comparative figures for July 31, 1961)

	1962	1961
INCOME	\$577,940.27	\$441,251.73
OPERATING CHARGES General and administrative expenses. Salaries. Directors' fees. Depreciation.	\$ 91,229.78 73,369.50 1,450.00 7,870.70 173,919.98 404,020.29	\$ 66,660.73 66,171.92 350.00 9,093.51 142,276.16 298,975.57
Cost of Borrowing Interest and bank charges. Interest on collateral trust notes and loans. Interest on subordinate notes. Interest on long term secured debt. Fees to Montreal Trust Company on collateral trust notes Amortized cost of acquisition of borrowed money	50,191.96 80,014.90 — 66,636.58 8,590.15 15,821.92 221,255.51	47,866.35 97,079.76 10,219.09 — 7,613.36 5,181.38 167,959.94
Interest on Debentures	182,764.78 54,688.96 128,075.82	131,015.63 24,829.05 106,186.58
Less: Additions to the provision for doubtful accounts NET PROFIT BEFORE INCOME TAXES PROVISION FOR INCOME TAXES	49,775.79 78,300.03 12,750.25	46,212.62 59,973.96 14,401.84
NET PROFIT	\$ 65,549.78	\$ 45,572.12

Schedule of Earned Surplus

For the years ended July 31, 1962 and July 31, 1961

		1962		1961
BALANCE — AUGUST 1 Add: Net profit for year after taxes and allowance for doubtful accounts Adjustment re prior years' taxes	1961	\$ 58,395.39 65,549.78 381.66	1960	\$ 22,085.60 45,572.12 (264.96)
		\$124,326.83		\$ 67,392.76
Less: Loss on U.S. Exchange fluctuations Life insurance premiums Supplementary letters patent expense written off		6,729.77 880.75 728.00		6,000.00 641.00
Common stock dividend payable on preferred shares		<u> </u>		2,356.37
		8,338.52		8,997.37
BALANCE — JULY 31	1962	\$115,988.31	1961	\$ 58,395.39

AUDITOR'S REPORT

TO THE SHAREHOLDERS OF

INTER-PROVINCIAL COMMERCIAL DISCOUNT CORPORATION LIMITED

We have examined the Balance Sheet of Inter-Provincial Commercial Discount Corporation Limited as at July 31, 1962 and the Operating Statement and Surplus for the year ended on that date and have obtained all the information and explanations we have required.

Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying Balance Sheet and Operating Statement and Surplus (with supplementary notes thereto) presents fairly the financial position of the company as at July 31, 1962 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada. September 4, 1962.

RESNICK, WINTRAUB & CO.

Chartered Accountants

NOTES TO THE BALANCE SHEET

- 1. During April 1962 the Company acquired all the common shares of Western Aluminum Products Limited for a cash consideration of \$238,733.00 and 9,722 common shares of Inter-Provincial Commercial Discount Corporation Limited at \$7.69 per share, a total cost of \$313,495.18.
- 2. Included in the "Demand Notes Issued for Bank Advances" is an amount of \$200,000.00 payable in U.S. funds.
- 3. The Company sold 634% Sinking Fund Secured Collateral Trust Notes, Series A, maturing August 1, 1976 having a par value of \$1,000,000.00 for \$950,000.00. On completion of the sale, 25,000 common share purchase warrants were issued (20,000 warrants were attached to the bonds and 5,000 warrants were issued to the underwriter.)

Common shares were reserved for exercise of the share purchase warrants at the following rates:

\$2.00 per share before August 1, 1964

\$3.00 per share before August 1, 1966

\$4.00 per share before August 1, 1969

If not exercised on or before August 1, 1969 the purchase warrants will become void.

In accordance with the sinking fund requirements the Company must purchase or redeem \$67,000.00 of bonds during each of the years 1962 to 1975 inclusive. The Company redeemed \$72,500.00 of bonds during the year. In the coming year the Company must redeem an additional \$61,500.00 of bonds, which for presentation purposes has been transferred to "Current Portion of Long Term Debt Due Within One Year".

- 4. In accordance with the sinking fund requirements of the $7\frac{1}{2}\%$ Debentures maturing November 1, 1975, \$30,000 of bonds must be purchased or redeemed in each of the years 1961 to 1974 inclusive. In the years 1961 and 1962 \$64,000 of bonds have been redeemed. In the coming year the Company must redeem an additional \$26,000 of bonds, which for presentation purposes has been transferred to "Current Portion of Long-Term Debt Due Within One Year".
- 5. The Company sold 61/2% Subordinated, Convertible Debentures, Series A, maturing January 15, 1977 having a par value of \$600,000 for \$558,000.00.

The bonds are convertible into common shares per \$1,000.00 principal amount at the following rates:

130 shares (based at 7.69) till January 15, 1964

115 shares (based at 8.69) till January 15, 1966

100 shares (based at 10.00) till January 15, 1969

78,000 common shares without par value are reserved for these conversions.

In accordance with the sinking fund requirements \$37,500 of bonds must be purchased or redeemed in each of the years 1969 to 1976 inclusive.

- 6. The Common Shares issued during the year are;
 - 3,050 shares were issued at \$2.00 a share upon exercise of share purchase warrants. The Company received \$6,100.00 in cash.
 - 4,000 shares were issued at \$5.00 a share upon conversion of 4,000 preference shares.
 - 9,722 shares were issued at 7.69 a share as part of the consideration in the purchase of Western Aluminum Products Limited.

- 7. 71,704 common shares without par value are reserved for issue to provide for conversion, until November 1, 1965 of the Company's outstanding 5% non-voting convertible preferred shares of the par value of \$5.00 each.
- 8. Taxes for income for the year ended July 31, 1962 have been reduced by \$20,359.68 through claiming, for taxes purposes, of additional unamortized costs relative to the long term debt.
- 9. The Company was contingently liable as at July 31, 1962 on a letter of credit for \$156,927.03.
- 10. The Company has been granted permission to change its year ended from July 31 to December 31, commencing with the period ending December 31, 1962.
- 11. The investment in the wholly owned subsidiary Western Aluminum Products Ltd. is being carried on the books at cost. No provision has been made in the books of Inter-Provincial Commercial Discount Corporation Limited for the profits of this subsidiary. Summaries of Western Aluminum's financial statements as prepared by their auditors, Collins and Hames, Calgary, follow:

WESTERN ALUMINUM PRODUCTS LIMITED

Balance Sheet

As at July 31, 1962

ASSETS

Cash on hand and in bank		\$ 8,954.47
	C 40 5 12 4 4 5	J 0,934.47
Accounts Receivable	\$495,134.45	
Less: Allowance for doubtful accounts	11,653.87	102 100 50
		483,480.58
Inventories		398,014.31
Investment in wholly-owned subsidiaries		2,081.50
Fixed Assets	49,951.68	
Less: Accumulated Depreciation	21,039.78	
		28,911.90
Other Assets and Prepaid Expenses.		22,445.41
		\$943,888.17
LIABILITIES AND CAPITAL		
Bank Loan		\$207,000.00
Accounts Payables, Income Tax Payable and Outstanding Cheques		515,485.74
Debentures payable to parent company		58,000.00
Shareholders' Equity		
Capital and Earned Surplus		163,402.43
		\$943,888.17

Statement in accordance with Section 122 (6) of the Companies Act (Alberta).

No provision has been made in the accounts of Western Aluminum Products Limited for the profits or losses of its wholly owned subsidiaries.

Operating Statement

For the 7 months ended July 31, 1962

SALES	\$971,397
GROSS PROFIT	198,502
OPERATING EXPENSES	150,841
NET INCOME BEFORE INCOME TAX	47,661
Income Taxes	24,314
NET INCOME	23,347

INTER-PROVINCIAL COMMERCIAL DISCOUNT CORPORATION LIMITED

SIX YEARS OF GROWTH

	1962	1961	1960	1959	1958	1957
VOLUME OF BUSINESS .	16,619,422	10,757,920	9,036,000	6,469,404	3,166,619	1,251,493
GROSS INCOME	577,940	441,252	355,577	201,694	100,753	40,042
NET PROFIT AFTER TAXES	88,897	45,572	33,300	21,018	13,776	165
LOANS OUTSTANDING .	5,058,792	3,153,803	2,523,475	1,548,918	830,504	480,642
CAPITAL (including unsecured debt preferred stock, common stock and surplus)	1,685,726	971,272	472,604	338,233	249,121	162,212

The advertisement pictured here is used in our business development program. We show them to give our stockholders a better idea on how our company operates.



says Bren Furlong, President

Funds are always available for expansion programs"

of Furlong Plastics Limited.

One of the bright, young executives in the plastic industry, Bren Furlong, head of Furlong Plastics Limited, considers the money his company has obtained from Inter-Provincial Commercial Discount Corporation Limited on his receivables and equipment as equity capital. "It's equity capital which you can buy out anytime with no feelings being hurt. Their money replaces stockholders who don't work as hard as you do, but still share profits. And it's always available. Their loans grow as your company grows. No limits are set EVEN IN TODAY'S TIGHT MONEY SITUATION." What about your company? Have you passed up growth and profit opportunities because of lack of money? If so, it will pay you to learn the facts about Inter-Provincial Commercial Discount Corporation Limited's financing program — which can be tailored to suit your individual needs.

HEAD OFFICE:

1541 Davenport Road, Toronto 4, Ontario

AUDITORS:

RESNICK, WINTRAUB & Co., Chartered Accountants, Toronto

REGISTRARS AND TRANSFER AGENTS:

CANADA TRUST COMPANY LIMITED

Common Shares

TRUSTEES:

MONTREAL TRUST COMPANY

Collateral Trust Notes

Canada Permanent Toronto General Trust Company

61/2% Convertible Debentures

CANADA TRUST COMPANY

7½% Debentures

SHARES LISTED:

Common

Toronto Stock Exchange



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INTER-PROVINCIAL

OMMERCIAL DISCOUNT CORPORATION LIMITED

	Commercial	Financing	
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May 9th, 1962.

To the Shareholders:-

Our reasons for writing you at this time are twofold.

Firstly, we are happy to report that your Company's commercial financing operations are proceeding profitably. In keeping with the pattern of consistent growth in earnings which we have established in each of the previous four complete years, the nine months operating figures indicate that when the current fiscal year ends on July 31st, there will be a further substantial advance in profits. Indicative of the progress I.C.D. has made in the first nine months of this year is the fact that receivables are now at a record level of $\$4\frac{1}{2}$ million, or 45% above the level as at July 31st, 1961.

The field of commercial finance has proven to be most lucrative, and the long term outlook would suggest that this segment of the finance industry in Canada will continue to offer many profitable opportunities for your Company to expand.

Our second reason for writing you at this time has to do with an item of significance to the future of Inter-Provincial Commercial Discount Corporation Limited. Your Directors have arrived at a decision to embark on a planned program of gradual long term diversification. It is of vital importance that the implications and favourable aspects of this decision be fully understood by everyone at the outset.

By virtue of the concept by which I.C.D. operates as a finance company, it should not be surprising that as our customers mature and prosper, they eventually outgrow their need for our type of financing. It is inevitable that the measurements that determine whether a company is worthy of being financed by us, become the very factors that will ultimately eliminate the necessity of calling upon our services. The quality of our receivables testifies that many of our customers are maturing in this manner.

During the period in which we carry out our role as "secondary bankers", we are in a privileged position to judge the merit and prospects of our various customers. This close association with our clients provides us with the opportunity to take a direct interest in a particular company, if we feel it is to our benefit. This is not a revolutionary new development, but is, in fact, only a reflection of similar diversification by major commercial finance companies in the United States, who have found it beneficial to take an active and participating part in the future of some of their more successful customers.



As an initial step in this direction, and typical, we feel, of the quality of companies in which we intend to invest in the future, is the recent acquisition by us of all the shares of Western Aluminum Products Limited. This company, a Calgary manufacturer of aluminum windows, doors and sealed glass, has enjoyed an excellent growth in sales and profits over the past four years. In its first year of operation (the year ending March 31st, 1959), this company reported sales of \$359,598. For nine months ending December 31st, 1961, sales reached an impressive \$1,510,184 and profits after taxes were \$49,598. "Western" has matured to the point where it enjoys a substantial bank loan to finance its operations, and no longer requires the services of commercial financing. Your management feels that it will become an extremely interesting and profitable investment for your Company.

This move should not be interpreted as an abrupt change in the operating concept of I.C.D., but rather as a move which will allow us to benefit from our original judgment by retaining an interest in the more profitable and attractive situations with which we are constantly coming in contact. Your Company will continue to operate, as its primary function, in the field of commercial financing – a field which continues to portend dramatic growth and profitable expansion.

Very truly yours,

INTER-PROVINCIAL COMMERCIAL DISCOUNT CORPORATION LIMITED

Joseph Frieberg,

President.

Robert Scolnick, Vice-President and General Manager.

Robert Hosnick



\$1,000,000

Inter-Provincial Commercial Discount Corporation Limited

(Incorporated under the laws of the Province of Ontario)

63/4% Sinking Fund Secured Collateral Trust Notes, Series C **Carrying Share Purchase Warrants**

To be dated October 1, 1962

To Mature October 1, 1977

L. C. 11-

Principal and half-yearly interest (April 1 and October 1) and redemption premium, if any, payable in lawful money of Canada at the holder's option at any branch of the Company's bankers in Canada (far northern branches excepted). The 6%4% Sinking Fund Secured Collateral Trust Notes (hereinafter referred to as the "Notes of Series C") will be in coupon form, with provision for registration as to principal only, in the denominations of \$500 and \$1,000 and in fully registered form in denominations of \$1,000 and authorized multiples thereof.

The Notes of Series C are to be redeemable, otherwise than out of sinking fund monies, at the option of the Company, in whole at any time or in part from time to time on not less than 30 days notice at the principal amount thereof plus a premium of $6\frac{3}{4}\%$ of such principal amount if redeemed on or before October 1, 1963, such premium thereafter decreasing $\frac{1}{2}$ of 1% of such principal amount for each year commenced or elapsed from October 1, 1963 to the date specified for redemption up to and including October 1, 1976 and thereafter and prior to maturity at the principal amount thereof, together in all cases with accrued interest to the date specified for redemption; provided, however, that no Notes of Series C shall be redeemed prior to October 1, 1972 except for sinking fund purposes, unless the Company shall have filed with the Trustee a certified copy of a resolution of its directors declaring that such Notes are not being refunded, and that it is not then the intention to refund such Notes, by other indebtedness incurred or to be incurred to refund such Notes, and bearing interest at an annual rate of less than $6\frac{3}{4}\%$. The Company also has the right to purchase the Notes of Series C as more fully set out under the heading of "Redemption."

The Trustee will, however, have the right to redeem the Notes of Series C for sinking fund purposes at the principal amount thereof plus accrued interest to the date specified for redemption and also have the right to purchase the Notes of Series C, all as more fully set out herein under the heading "Sinking Fund."

Sinking Fund

The Company will covenant to establish a sinking fund to provide for the retirement of 6.7% of the principal amount of all such Notes of Series C issued prior to the close of business on the 60th day preceding the date on which such sinking fund payment shall be due in each of the years 1963 to 1976 inclusive. Further particulars concerning the sinking fund are more fully set out herein under the heading "Sinking Fund."

Share Purchase Warrants

The Notes of Series C when originally issued in definitive form will carry Share Purchase Warrants entitling the holders thereof to purchase from the Company fully paid common shares without par value (as presently constituted) on the basis of 10 such shares for each \$500 principal amount of Notes of Series C at a price payable in cash of \$7.75 per share if exercised on or before October 1, 1965, of \$8.75 per share if exercised thereafter and on or before October 1, 1967, and of \$10.00 per share if exercised thereafter and on or before October 1, 1969, the Share Purchase Warrants will become void.

The Indenture pursuant to which the Share Purchase Warrants will be issued will contain provisions for adjustment of the number of shares issuable pursuant to the privilege attaching to the Share Purchase Warrants in certain events more fully described herein.

TRUSTEE: MONTREAL TRUST COMPANY

We, as agents for the Company, offer the Notes of Series C if, as and when issued by Inter-Provincial Commercial Discount Corporation Limited, subject to confirmation and subject to the approval of all legal matters on our behalf by Messrs. Zimmerman, Haywood, Winters & Chambers, Toronto, and on behalf of the Company by Lawrence Wengle, Toronto.

It is expected that Notes of Series C in definitive form will be available for delivery on or about October 1, 1962.

PRICE: 98.50 plus Accrued Interest To yield approximately 6.90%

Equitable Securities Canada Limited

60 Yonge Street Toronto 1

MONTREAL

HAMILTON

KITCHENER

The information which follows has been supplied by Mr. Joseph Frieberg, President of Inter-Provincial Commercial Discount Corporation Limited.

The Company

Inter-Provincial Commercial Discount Corporation Limited was incorporated on July 20, 1956, to carry on business as a commercial finance company. The Company supplies funds to manufacturers, wholesalers and distributors against the security of their accounts receivable. The loans are made with full recourse, and the Company advances on the average of 85% of their face value, and the remaining 15% is held as a reserve against possible losses, credit adjustments, etc. Co-ordinated with the accounts receivable program, the Company provides some clients with working funds against inventories against the security of bonded warehouse receipts or trust receipts collaterally secured by a floating charge debenture. As an additional accommodation, to facilitate the operation of clients, loans are made against their fixed assets by taking as security a chattel mortgage or a debenture. The volume of business of this type of financing in the United States reached a record of \$15,400,000,000 in 1961. Being one of the first Canadian companies in this type of business, Inter-Provincial Commercial Discount Corporation Limited will have an opportunity to share in this growth field.

The Company may acquire from time to time certain manufacturing companies who are clients of Inter-Provincial Commercial Discount Corporation Limited. Inter-Provincial Commercial Discount Corporation Limited as "secondary bankers" has been able, over the years, to ascertain the potential of the manufacturing concerns which it is financing, and the managerial ability of the officers running the firms. A recent acquisition was Western Aluminum Products Limited of Calgary, Alberta. This company manufactures aluminum windows, doors and sealed glass units, sales of which are made by the company being made primarily to builders and contractors. The growth of Western Aluminum Products Limited has been excellent. In its first year of business for the year ended March 31, 1959, the sales were \$359,598. In the latest year end, the nine months ended December 31, 1961, the sales were \$1,510,184 and for the four months ended April 30, 1962, the sales were \$420,508. Western Aluminum Products Limited has developed into one of the largest and most successful companies in its field in the West.

The management of Inter-Provincial Commercial Discount Corporation Limited feels that the future of the Company is enhanced by the potential of its manufacturing subsidiaries with the steady growth of commercial financing.

Purpose of Issue

The growth of the Company's business is apparent from the accelerated volume of loans made by the Company in the past five fiscal years of the Company ending July 31 and the first nine months of this fiscal year:

					9 Months to April 30,
1957	1958	1959	1960	1961	1962
\$1,251,493	\$3,166,619	\$6,469,404	\$9,036,000	\$10,757,920	\$11,632,468

The Company requires its present financing to provide additional capital sufficient to enable it to increase its present volume of financing. Initially, pending application of the proceeds for this purpose, the Company will apply the proceeds from the sale of the Notes of Series C to the retirement of demand Secured Collateral Trust Notes held by the Company's bankers.

Capitalization as at April 30, 1962

The capitalization of the Company, (based on this issue being fully subscribed) according to the accompanying Balance Sheet, as at April 30, 1962, is as follows:

	Authorized	Issued	Outstanding
Secured Collateral Trust Notes (Note 1) 634% maturing August 1, 1976 (series A) (Note 2) 634% maturing September 1, 1977 (series B) (Note 3) 634% maturing October 1, 1977 (series C—this issue) (Note 4) Short Term (Note 5)	\$1,000,000 1,000,000 1,000,000	\$1,000,000 1,000,000	\$1,000,000 1,000,000 541,000
Debentures. 7½% maturing November 1, 1975 (Note 6)	2,000,000 500,000	500,000	436,000
Subordinated Debentures 6½% Convertible Sinking Fund, Series A, maturing January 15, 1977 (Note 7)	600,000	600,000	600,000
Capital Stock 5% non-voting convertible preferred shares, par value \$5.00 (convertible into common shares, share for share until November 1, 1965)	100,000 600,000	179,411	71,704 179,411

- Note 1: The authorized aggregate principal amount of Secured Collateral Trust Notes that may be outstanding at any one time is unlimited, subject to the provisions of the trust deeds dated May 10, 1957 and August 31, 1961, securing such Notes. Secured Collateral Trust Notes may be issued as Demand, Short Term (maturing not less than 30 days or more than 18 months from date of issue) or Term Secured Notes.
- Note 2: Under the trust deed pursuant to which the 634% Secured Collateral Trust Notes, Series A are issued, the Company is required to establish a sinking fund to provide for the retirement of \$67,000 principal amount of such Notes on August 1 in each of the years 1962 to 1975, both inclusive.
- Note 3: The Company has authorized an issue of \$1,000,000 principal amount Secured Collateral Trust Notes to be dated September 1, 1962, to bear interest at the rate of 634% per annum and to mature September 1, 1977. The Company is presently negotiating the sale of this issue of notes, designated 634% Secured Collateral Trust Notes, Series B, and if and when issued and sold, the notes of Series B will rank pari passu with the Notes of Series C offered by this Prospectus. Under the Supplemental Trust Deed pursuant to which the Notes of Series B are to be issued the Company will be required to establish a sinking fund to provide for the retirement of \$67,000 principal amount of notes of Series B on September 1 in each of the years 1963 to 1976, both inclusive.
- Note 4: Under the supplemental trust deed pursuant to which the 634% Secured Collateral Trust Notes, Series C are to be issued, the Company will be required to establish a sinking fund to provide for the retirement of 6.7% of the principal amount of all such Notes of Series C issued prior to the close of business on the 60th day preceding the date on which such sinking fund payment shall be due in each of the years 1963 to 1976, both inclusive.
- Note 5: The Company has outstanding in the hands of its bankers and other lenders, Short Term Secured Notes representing borrowings in the ordinary course of business. The amount of such Short Term Secured Notes will fluctuate from time to time on the ordinary course of business.
- Note 6: Under the trust deed pursuant to which the $7\frac{1}{2}\%$ Debentures maturing November 1, 1975 are issued, the Company is required to establish a sinking fund to provide for the retirement of \$30,000 principal amount of such Debentures on November 1, in each of the years 1961 to 1974, both inclusive.
- Note 7: Under the trust deed pursuant to which the 6½% Subordinated Convertible Sinking Fund Debentures, Series A are issued, the Company is required to establish a sinking fund to provide for the retirement of \$37,500 principal amount of such Debentures on January 15, in each of the years 1969 to 1976, both inclusive. The said trust deed also provides that additional Subordinated Debentures, without limit as to aggregate principal amount, may be issued subject to certain limitations.
- Note 8: The Company proposes to issue share purchase warrants on the basis of 10 common shares for each \$500 principal amount of Notes of Series B issued entitling the bearers thereof to purchase an aggregate of 20,000 common shares without par value in the capital of the Company at the following prices per share, payable in cash:
 - \$ 7.75 per share if the right of purchase is exercised on or before September 1, 1965;
 - \$ 8.75 per share if the right of purchase is exercised after September 1, 1965 and on or before September 1, 1967; \$10.00 per share if the right of purchase is exercised after September 1, 1967 and on or before September 1, 1969; the share purchase warrants will be void after September 1, 1969.

The Company proposes to issue share purchase warrants on the basis of ten common shares for each \$500 principal amount of Notes of Series C issued entitling the bearer thereof to purchase an aggregate of 20,000 common shares without par value in the capital of the Company at the following prices per share, payable in cash:

\$ 7.75 per share if the right of purchase is exercised on or before October 1, 1965;

\$ 8.75 per share if the right of purchase is exercised after October 1, 1965 and on or before October 1, 1967; \$10.00 per share if the right of purchase is exercised after October 1, 1967 and on or before October 1, 1969; the share purchase warrants will be void after October 1, 1969.

The Company has issued share purchase warrants entitling the bearers thereof to purchase an aggregate of 25,000 shares in the capital of the Company at the following price per share, payable in cash:

\$2.00 per share if the right of purchase is exercised on or before August 1, 1964;

\$3.00 per share if the right of purchase is exercised after August 1, 1964 and on or before August 1, 1966; \$4.00 per share if the right of purchase is exercised after August 1, 1966 and on or before August 1, 1969; the share purchase warrants will be void after August 1, 1969.

To April 30, 1962, 2,850 of these share purchase warrants have been exercised.

71.704 common shares without par value are reserved for issue to provide for conversion, until November 1, 1965 of the Company's outstanding 5% non-voting convertible preferred shares of the par value of \$5.00 each.

78,000 common shares without par value are reserved for issue to provide for the conversion of the 6½% Subordinated Convertible Debentures, Series A at the following rates per \$1,000 principal amount of such Debentures;

at the rate of 130 common shares without par value (based on \$7.69 per share) to the close of business on January 15, 1964;

at the rate of 115 common shares without par value (based on \$8.69 per share) after January 15, 1964 to the close of business on January 15, 1966;

at the rate of 100 common shares without par value (based on \$10 per share) after January 15, 1966, to the close of business on January 15, 1969.

Under the trust deed pursuant to which such Debentures are issued, provision is made for the adjustment of the conversion rate in certain events.

Inter-Provincial Commercial Discount Corporation Limited Statement of Earnings

The following is a summary of earnings of the Company from inception to April 30, 1962.

Year Ended July 31	Earnings Before Deducting Interest, Depreciation and Taxes on Income		Depreciation	Income Subject to Tax	Provision for Taxes on Income	Net Profit
1957	\$ 6,587	\$ 6,226	Nil	\$ 361	\$ 196	\$ 165
1958		28,065	\$2,154	19,273	5,497	13,776
1959	96,334	63,573	4,038	28,723	7,705	21,018
1960	211,732	151,492	6,852	53,388	20,088	33,300
1961	249,062	179,994	9,094	59,974	14,402	45,572
Nine month period ended						
April 30, 1962	249,676	173,666	6,151	69,859	21,098	48,761

Notes: (1) Taxes on income for the year ended July 31, 1961 have been reduced by \$8,130 through claiming for tax purposes additional unamortized costs relative to long-term debt.

(2) Taxes on income for the nine months ended April 30, 1962 have been reduced by \$10,900 through claiming for tax purpose additional unamortized costs relative to the long-term debt.

(3) Income tax returns of the Company have been assessed up to and including July 31, 1960.

Auditors' Report

To the Directors.

INTER-PROVINCIAL COMMERCIAL DISCOUNT CORPORATION LIMITED. TORONTO, ONTARIO.

We have examined the accounts of Inter-Provincial Commercial Discount Corporation Limited and we report that, in our opinion, the above statement of earnings and notes related thereto correctly sets forth the earnings of the Company for the periods indicated.

Toronto, Ontario, August 28, 1962.

(signed) RESNICK, WINTRAUB & Co. Chartered Accountants.

Interest Requirements and Coverage

Maximum interest requirements on this issue are \$67,500. In the Company's latest fiscal year (to July 31, 1961) earnings of \$249,062 were available for interest requirements.

Prospects

Additional profits should be derived from the extra volume of business which should accrue as a result of the additional funds derived from the issue herein. The earnings for the nine months ended April 30, 1962 exceed the earnings for the full year ended July 31, 1961 and it can be conservatively estimated that the earnings for the coming twelve months should be substantially higher than for the same period in 1961 and 1962.

Secured Collateral Trust Notes and Debentures

The Company has entered into a deed of trust dated as of May 10, 1957 (herein sometimes referred to as the "First Trust Deed") with Montreal Trust Company, as trustee, providing for the issue of secured collateral trust notes (herein sometimes referred to as the "1957 Secured Collateral Trust Notes") without limit as to aggregate principal amount. From time to time the Company issued 1957 Secured Collateral Trust Notes in the ordinary course of business none of which are presently outstanding. The Company does not propose to issue any further Notes under the First Trust Deed and will obtain a discharge and cancellation of the First Trust Deed.

The Company has entered into a deed of trust and mortgage dated as of August 3, 1961, (herein sometimes referred to as the "Second Trust Deed") with Montreal Trust Company, as trustee, providing for the issue of secured collateral trust notes (herein sometimes referred to as the "1961 Secured Collateral Trust Notes") without limit as to aggregate principal amount. 1961 Secured Collateral Trust Notes may be issued from time to time under and subject to the restrictions contained in the Second Trust Deed as Demand Secured Notes, Short Term Secured Notes or Term Secured Notes (all as defined in the Second Trust Deed). Term Secured Notes in the principal amount of \$1,000,000 were issued as $6\frac{3}{4}\%$ Secured Collateral Trust Notes maturing August 1, 1976, \$927,500 of which are presently outstanding. From time to time the Company issues Demand Secured Notes or Short Term Secured Notes and Short Term Secured Notes outstanding will fluctuate from time to time in the ordinary course of business. There is presently outstanding \$2,414,000 of Demand and Short Term Secured Collateral Trust Notes issued under the Second Trust Deed.

The Company has entered into a trust indenture dated as of November 1, 1960, (herein sometimes referred to as the "First Trust Indenture") with The Canada Trust Company, as trustee, providing for the issue of debentures limited to an aggregate principal amount of \$2,000,000. Debentures of the first issue in the aggregate principal amount of \$500,000 were issued as $7\frac{1}{2}\%$ Sinking Fund Debentures, maturing November 1, 1975 of which \$436,000 principal amount are presently outstanding.

The Company has entered into a trust indenture dated as of January 15, 1962, (herein sometimes referred to as the "Second Trust Indenture") with Canada Permanent Toronto General Trust Company, as trustee providing for the issue of subordinated debentures. Subordinated debentures in the aggregate principal amount of \$600,000 were issued as 6½% Subordinated Convertible Sinking Fund Debentures, Series A, all of which are presently outstanding.

Security for the Notes

The 6¾% Secured Collateral Trust Notes, Series C offered by this prospectus will be issued under and secured by a deed of trust and mortgage (hereinafter referred to as the "Trust Deed") dated as of August 3, 1961 and made between the Company and Montreal Trust Company, as trustee, as supplemented by a supplemental deed of trust and mortgage (hereinafter called the "Supplemental Trust Deed") and

to be made between the same parties and will, in the opinion of Counsel, be direct obligations of the Company and will rank pari passu and be secured equally and rateably (except as to sinking funds pertaining exclusively to any particular series of Notes) with any other Notes issued or to be issued under the Trust Deed by:

- (i) a first fixed and specific mortgage, hypothec, pledge and charge to and in favour of the Trustee on
 - (a) Acceptable Collateral deposited by the Company with the Trustee in accordance with the provisions of the Trust Deed and all renewals of the said Acceptable Collateral and substitutions therefor and all the Company's right, title and interest in and to the monies now due or hereafter to become due pursuant to the terms of the said Acceptable Collateral, renewals thereof and substitutions therefor and all the Company's right, title and interest in and to the chattels or other property in respect of which the said Acceptable Collateral, renewals thereof and substitutions therefor were given and all the Company's rights of seizure, removal and sale and all other rights of the Company incidental to or arising out of the said Acceptable Collateral, renewals thereof and substitutions therefor including without in any way limiting the generality of the foregoing any and all claims of the Company in respect of insurance on the chattels or other property aforesaid;
 - (b) all the Acceptable Collateral, renewals thereof and substitutions therefor which the Company may at any time and from time to time hereafter, pursuant to the provisions of the Trust Deed, deliver to or deposit with the Trustee subject to the fixed and specific mortgage, pledge, hypothec and charge of the Trust Deed and all the Company's right, title and interest in and to the monies to become due pursuant to the terms of the said Acceptable Collateral, renewals thereof and substitutions therefor and all the Company's right, title and interest in and to the chattels or other property in respect of which such Acceptable Collateral, renewals thereof or substitutions therefor are given and all the Company's rights of seizure, removal and sale and all other rights of the Company incidental to or arising out of the said Acceptable Collateral, renewals thereof and substitutions therefor including without in any way limiting the generality of the foregoing any and all claims of the Company in respect of insurance on the chattels or other property aforesaid;
 - (c) all Approved Securities and any other property or assets of whatsoever kind, nature or description which may at any time be granted, conveyed, assigned, ceded, transferred, mortgaged, pledged, hypothecated and charged as and by way of a first fixed and specific mortgage, pledge, hypothec, and charge to and in favour of the Trustee.
- (ii) a first floating charge to and in favour of the Trustee on its undertaking, and all its property and assets both present and future (other than such property and assets as are effectively and validly subject to the fixed and specific mortgage, pledge, hypothec, and charge); provided further that such floating charge hereby created shall in no way hinder or prevent the Company (until the security hereby constituted shall have become enforceable and the Trustee shall have determined or become bound to enforce the same) from pledging, selling, alienating, assigning, charging, disposing of or dealing with the subject matters of such floating charge in the ordinary course of its business and for the purpose of carrying on the same; and provided further that such floating charge shall in no way hinder or prevent the Company from pledging, selling, alienating, assigning or giving security or securities on the subject matters of such floating charge to any bank or banks under the Bank Act of Canada or otherwise or to any other lender or lenders in the ordinary course of the business of the Company for present or future debts or liabilities of the Company to such bank or banks or other lender or lenders as aforesaid and that any such pledge, assignment, security or securities shall rank in priority over the floating charge hereby created. And the Company covenants that save as aforesaid it will not hereafter create any mortgage, charge, lien or encumbrance upon the mortgaged premises or any part thereof ranking or purporting to rank in priority to or pari passu with the floating charge hereby constituted, it being specifically understood and agreed that the Company may at any time and from time to time hereafter create a further floating charge or charges in the ordinary course of business in favour of any bank or banks or any other lender or lenders as security or as further

security for present or future debts or liabilities of the Company and that any such further floating charge or charges shall rank pari passu with the floating charge hereby created.

Certain Definitions

The Trust Deed dated August 3, 1961, contains definitions of the terms "Acceptable Collateral", "Approved Securities", "Cash", "Value", "Funded Obligations", "Current Assets", "Current Liabilities", "Net Current Assets", "Term Secured Notes", "Short Term Secured Notes", "Demand Secured Notes", and "Equity in the Company", substantially to the effect of those hereinafter appearing.

Covenants

The Company will covenant in the Supplemental Trust Deed substantially to the effect, that so long as any of the Notes of Series C are outstanding:

- (i) it will not declare or pay cash dividends on any of its shares at any time outstanding, or redeem, reduce, purchase or retire any of its shares at any time outstanding (except out of the proceeds of an issue of its shares made prior to, or concurrently with, any such redemption, reduction, purchase or payment, or except in exchange for any of its shares) or any Funded Obligations (except at maturity or by way of mandatory retirement provision or for the purpose of refunding such Funded Obligations at a lower net interest rate) unless immediately after giving effect thereto the Net Current Assets of the Company shall be not less than 100% of the aggregate principal amount of all Funded Obligations to be outstanding after the application by the Trustee of any monies then held by the Trustee for sinking fund purposes or \$750,000, whichever is the greater;
- (ii) it will not, except for the purpose of refunding all Notes of Series C, at the time outstanding, create or issue any subsequent series of notes ranking in priority to, or pari passu with the Notes of Series C under the security of the Trust Deed or otherwise, expressed to mature earlier than October 1, 1977 except Demand Notes and Short Term Secured Notes issued under and pursuant to the Trust Deed, and except that serial notes may be provided for in lieu of providing in part or in whole for sinking fund payments for any such series;
- (iii) it will not create or issue any subsequent series of notes ranking in priority to or pari passu with the Notes of Series C under the security of the Trust Deed or otherwise, other than Demand Notes and Short Term Secured Notes issued under and pursuant to the Trust Deed, which the Company is required to retire in any year at a proportionately greater rate than the then current rate of retirement through sinking fund of the Notes of Series C (by reference to the principal amount of Notes of Series C outstanding at the date of creation of such subsequent series of notes) by a requirement that the Company in the year 1977 or any previous year retire, or provide for retirement of, (by serial maturities, payment into sinking fund or otherwise) any such subsequent series of notes in a principal amount which is a greater percentage of the aggregate principal amount thereof theretofore issued than the principal amount of Notes of Series C retirement of which is required to be provided for by sinking fund payments in such year, is of the aggregate principal amount of Notes of Series C outstanding at the date of creation of such subsequent series of notes; unless the Company shall, at the time of creation of such series of notes covenant with the Trustee to pay, on or before October 1 in such year, into the sinking fund for the Notes of Series C provided for in the Trust Deed a sum sufficient to increase to such greater percentage the principal amount of the Notes of Series C to be retired through such sinking fund; and such additional payment shall form part of such sinking fund and shall be applied by the Trustee in accordance with the provisions of the Trust Deed;
- (iv) it will at all times maintain on deposit with the Trustee subject to the first fixed and specific mortgage, pledge, hypothec, and charge hereof Acceptable Collateral or Acceptable Collateral and Approved Securities the aggregate Value of which shall be equal at least to one hundred

and twenty-five percent (125%) of the total principal amount of the Notes of Series C for the time being outstanding; in lieu of maintaining Acceptable Collateral or Acceptable Collateral and Approved Securities with the Trustee as aforesaid, the Company may deposit with the Trustee Cash equal to at least one hundred percent (100%) of the total principal amount of the Notes of Series C for the time being outstanding, not secured by Acceptable Collateral or Acceptable Collateral and Approved Securities; provided that the Company will not deposit with the Trustee nor will the Trustee be required to accept:

- (a) Acceptable Collateral payment in respect of the whole or any instalment of which is in default for more than one hundred and twenty (120) days;
- (b) Acceptable Collateral secured as set out in subparagraphs (b), (c) and (d) of definition of Acceptable Collateral if the aggregate Value of Acceptable Collateral of such nature in the hands of the Trustee constitutes more than twenty percent (20%) of the total amount of Acceptable Collateral then in the hands of the Trustee;
- (c) Acceptable Collateral deposited with the Trustee representing an indebtedness to the Company from any one person, firm or corporation in excess of ten percent (10%) of the total amount of Acceptable Collateral deposited with the Trustee unless the Trustee shall, by an instrument in writing, agree to accept Acceptable Collateral of such nature;
- (v) it will not declare or pay any cash dividends on any of its shares at any time outstanding, or redeem, reduce, purchase or retire any of its shares at any time outstanding (except out of the proceeds of an issue of its shares made prior to, or concurrently with, any such redemption, reduction, purchase or payment, or accept in exchange for any of its shares) or any Funded Obligations (except by way of mandatory retirement provisions or for the purpose of refunding such Funded Obligations at a lower net interest rate) if immediately after giving effect thereto the aggregate principal amount of all outstanding Secured Notes is greater than or would thereby exceed four (4) times the Equity in the Company;
- (vi) The Company will employ not less than Seven Hundred and Fifty Thousand Dollars (\$750,000) of its Equity in the Company for the purpose of creating Acceptable Collateral, or in the purchase of machinery, equipment, automobiles or trucks to be leased to others or in the purchase of conditional sales contracts or lien notes or for the retirement of its other obligations;
- (vii) The Company will procure and maintain in full force and effect at all times a policy or policies of fidelity insurance bonding against defalcations or embezzlement by any of its executive officers to the extent of not less than Five Hundred Thousand Dollars (\$500,000) and by any other employees to the extent of not less than Fifty Thousand Dollars (\$50,000).

Issue of Additional Secured Notes

The Trust Deed provides for the issue of additional Secured Notes in the form of "Term Secured Notes", "Short Term Secured Notes", or "Demand Secured Notes" without limitation as to the aggregate principal amount provided that:

(a) The Company shall have on deposit with the Trustee under the Trust Deed Acceptable Collateral and/or Approved Securities having an aggregate Value equal to at least one hundred and twenty-five percent (125%) of the aggregate principal amount of all Secured Notes to be outstanding immediately after the issue of the Secured Notes then proposed to be issued; provided that in lieu of Acceptable Collateral and/or Approved Securities the Company may have on deposit with the Trustee as aforesaid Cash equal to at least one hundred percent (100%) of the aggregate principal amount of all Secured Notes to be outstanding immediately after the issue of the Secured Notes then proposed to be issued and not secured by Acceptable Collateral or Acceptable Collateral and Approved Securities;

(b) The aggregate principal amount of all Secured Notes to be outstanding immediately after the issue of the Secured Notes then proposed to be issued shall not exceed four (4) times the Equity in the Company.

Definitions

The following are the definitions hereinbefore referred to:

"Acceptable Collateral" means accounts receivable owing to the Company whether originally so payable to the Company or validly assigned, sold or transferred to the Company and which the Company is legally entitled (by the original terms thereof and/or by the terms of any assignment, sale or transfer thereof to the Company) to assign or encumber, being or being secured by:

- (a) accounts receivable payable in respect of goods, wares or merchandise sold by manufacturers, wholesalers, distributors, importers, processors or contractors and not by retailers;
- (b) chattel mortgages on machinery or equipment owned by manufacturers, wholesalers, distributors, importers, processors or contractors and not by retailers provided such chattel mortgages form a fixed and specific lien or charge on such machinery or equipment; and the indebtedness secured thereby is repayable in full within three (3) years of the date the same is incurred;
- (c) bonded warehouse receipts issued by a bonded warehouse covering raw materials or finished goods owned by manufacturers, wholesalers, distributors, importers, processors or contractors and not by retailers;
- (d) bonds, debentures or other evidence of indebtedness containing a fixed and specific mortgage, pledge and charge on all fixed assets and a floating charge on all other assets owned by a manufacturer, wholesaler, distributor, importer, processor or contractor provided that the indebtedness secured thereby is repayable in full within three (3) years of the date the same is incurred.

"Approved Securities" means and includes bonds or obligations of or guaranteed by the Government of Canada.

"Cash" includes any amounts represented by certificates of deposit or other acknowledgement of indebtedness of any chartered bank of Canada or by any guaranteed investment of or deposit with any trust company in Canada.

"Value" at any date of Acceptable Collateral shall mean the original face value of such Acceptable Collateral less the aggregate amount of the Acceptable Collateral, which, in accordance with the terms of such Acceptable Collateral, has been paid prior to such date or which is in default for more than one hundred and twenty (120) days.

"Funded Obligations" means any indebtedness, whether by way of bonds, debentures, debenture stock, notes (including notes of this issue) or otherwise, whether secured or unsecured, the due date of payment of which, including any right of extension or renewal is more than eighteen (18) months after the date of issue or incurring thereof.

"Current Liabilities" means the aggregate sum of all the liabilities of the Company including accounts payable, proper reserve for taxes of all kinds, bank loans and overdrafts, accrued interest, dividends (excluding dividends not payable within six (6) months from the date as of which Net Current Assets are being determined) and other accrued liabilities required to be treated as current in accordance with generally accepted accounting principles other than:

(1) liabilities under forward commitments of purchase related to the current operations of the Company

- (2) principal, premium (if any) or sinking fund instalments (if any) in respect of the Notes issued under the Trust Deed or any other bonds, debentures or securities issued by the Company irrespective of the date specified for redemption pursuant to notice of intention to redeem any Notes issued under the Trust Deed or other bonds, debentures or securities issued by the Company
- (3) any other liability maturing more than twelve (12) months from the date as of which Net Current Assets are being determined
- (4) reserves to the extent that they are not required to provide for a reduction in the value of a current asset or to provide for a liability maturing within twelve (12) months
- (5) liabilities to shareholders in respect of capital stock and surplus
- (6) any other liabilities which, in accordance with generally accepted accounting principles, should not be included in current liabilities;

"Current Assets" means the aggregate sum of the following assets of the Company:

- (1) cash, call loans, deposits and other items which are the equivalent of cash
- (2) accounts, bills and notes receivable if payable on demand or within twelve (12) months (less such reserves for possible losses in the collection thereof as the Directors in their discretion, with the approval of the Company's auditors, may determine)
- (3) accrued interest receivable, dividends declared (other than dividends declared by subsidiary companies) and receivable within sixty (60) days and rents and royalties receivable (less such reserves for possible losses in the collection thereof as the Directors in their discretion, with the approval of the Company's auditors, may determine)
- (4) shares listed on a recognized stock exchange and bonds, debentures, debenture stock and other obligations having, in the opinion of the Company's auditors, a recognized quoted market (other than those issued by the Company) valued at market
- (5) prepaid interest, insurance, rents, taxes and similar prepaid expenses
- (6) the refundable portion of any taxes payable within one (1) year from the date as of which Net Current Assets are being determined
- (7) cash surrender value of life insurance policies payable to the Company
- (8) any other assets which in accordance with generally accepted accounting principles may properly be grouped as current assets; exclusive of any monies held by the Trustee for sinking fund purposes;

"Net Current Assets" means the excess of Current Assets over Current Liabilities.

"Term Secured Notes" means the Secured Notes of the Company maturing on a date or dates more than eighteen (18) months from the date of the Note.

"Short Term Secured Notes" means the Secured Notes of the Company maturing on a date or dates not less than thirty (30) days and not more than eighteen (18) months from the date of the Note and any renewal of any such Note for a period not exceeding eighteen (18) months from the date of maturity thereof.

"Demand Secured Notes" means the Secured Notes of the Company payable on demand issued to a bank or banks or other lenders.

"Equity in the Company" shall mean the aggregate of the paid-up capital of the Company, surplus of the Company and the aggregate principal amount of indebtedness not secured by a specific or floating charge upon any assets or property of the Company.

Redemption

The Company will have the right at any time prior to maturity, upon giving at least thirty (30) days prior notice, to redeem at any time all the outstanding Notes of Series C, or from time to time any part thereof by lot at the following percentages of the principal amount thereof:

 $106\frac{3}{4}\%$ if redeemed on or before October 1, 1963 $106\frac{1}{4}\%$ thereafter and on or before October 1, 1964 $105\frac{3}{4}\%$ thereafter and on or before October 1, 1965 $105\frac{1}{4}\%$ thereafter and on or before October 1, 1966 $104\frac{3}{4}\%$ thereafter and on or before October 1, 1967 $104\frac{1}{4}\%$ thereafter and on or before October 1, 1968 $103\frac{3}{4}\%$ thereafter and on or before October 1, 1969 $103\frac{1}{4}\%$ thereafter and on or before October 1, 1970 $102\frac{3}{4}\%$ thereafter and on or before October 1, 1971 $102\frac{1}{4}\%$ thereafter and on or before October 1, 1972 $101\frac{3}{4}\%$ thereafter and on or before October 1, 1973 $101\frac{1}{4}\%$ thereafter and on or before October 1, 1974 $100\frac{3}{4}\%$ thereafter and on or before October 1, 1975 $100\frac{1}{4}\%$ thereafter and on or before October 1, 1975 $100\frac{1}{4}\%$ thereafter and on or before October 1, 1976

in each case, plus accrued interest to the date specified for redemption; provided, however, that no Notes of Series C shall be redeemed prior to October 1, 1972 except for Sinking Fund purposes, unless the Company shall have filed with the Trustee a certified copy of a resolution of its Directors declaring that such Notes are not being refunded, and that it is not then the intention to refund such Notes, by other indebtedness incurred or to be incurred to refund such Notes and bearing interest at an annual rate of less than 634%.

The Company will also have the right to purchase Notes of Series C, at any time and from time to time, in the open market or by tender or by private contract, at prices not exceeding the then current redemption price for redemption by the Company, plus accrued interest and costs of purchase.

Notes of Series C, redeemed or purchased by the Company, shall be cancelled and shall not be reissued.

The Trustee, however, will have the right to redeem Notes of the Initial Issue, for Sinking Fund purposes at the principal amount thereof, plus accrued interest to the date specified for redemption as referred to under the heading "Sinking Fund".

Sinking Fund

The Company will covenant in the Supplemental Trust Indenture to establish a Sinking Fund and for such purpose to pay to the Trustee on the first day of October in each of the years 1963 to 1976 both inclusive a sum sufficient to enable the Trustee thereafter to purchase or redeem as hereinafter stated not less than 6.7% of the principal amount of all the Notes of Series C issued prior to the close of business on the 60th day preceding the date on which such sinking fund shall be due in each of such years whether or

not all of such previously issued Notes of Series C are then outstanding; provided, however, that the Company will have the right at any time and from time to time to direct that Notes of Series C, redeemed or purchased by the Company, be applied in satisfaction, to the extent of the principal amount thereof, of any Sinking Fund payment then due or thereafter to fall due, and provided further that, on notice to the Trustee given at least forty-five (45) days prior to the Sinking Fund Payment date in lieu of paying any Sinking Fund payment or (if Notes of Series C, redeemed or purchased by the Company, are to be applied on account of such Sinking Fund payment) in lieu of paying the balance thereof, the Company will have the right to require the Trustee to call for redemption in the name of the Company at the Sinking Fund redemption price on the Sinking Fund payment date a principal amount of Notes of Series C, equivalent to the principal amount of such Notes required to be retired by such Sinking Fund payment or the said balance thereof, as the case may be.

Monies received by the Trustee for the Sinking Fund for the Notes of Series C shall be applied by the Trustee to the purchase of such Notes, in the open market or by tender or by private contract, at prices not exceeding the principal amount thereof, plus accrued interest and costs of purchase until the Trustee has for the Sinking Fund the required principal amount of such Notes, provided that if within a period of sixty (60) days following receipt by the Trustee of any such monies, or within such shorter period as the Company may from time to time designate, the Trustee has been unable to complete the mandatory Sinking Fund retirements with cash then held by the Trustee in the Sinking Fund pursuant to the provisions of the Trust Deed, the Trustee shall forthwith apply such monies (unless the same amount to less than \$10,000 when such monies will only be so applied upon request of the Company), upon giving at least thirty (30) days prior notice, to the redemption of such Notes by lot at the principal amount thereof, plus accrued interest to the date specified for redemption, to the principal amount necessary to complete the required mandatory Sinking Fund retirements. If at any time any monies provided for the Sinking Fund shall remain in the hands of the Trustee after all then mandatory Sinking Fund retirements shall have been effected, such monies shall be repaid to the Company.

Notes of Series C purchased for or redeemed through the Sinking Fund shall be cancelled and shall not be reissued.

Share Purchase Warrants

The Company proposes to issue Share Purchase Warrants on the basis of 10 Share Purchase Warrants for each \$500 principal amount of Notes of Series C issued. Each Share Purchase Warrant will entitle the holder thereof to purchase at any time up to and including October 1, 1969 one common share without par value in the capital of the Company at a price, payable in cash, of \$7.75 per share if exercised on or before October 1, 1965, of \$8.75 per share if exercised thereafter and on or before October 1, 1967, and of \$10.00 per share if exercised thereafter and on or before October 1, 1969. The Share Purchase Warrants will be void after October 1, 1969.

Such Share Purchase Warrants will be delivered to the purchasers of the Notes of Series C when originally issued on the basis of ten such Share Purchase Warrants for each \$500 principal amount of Notes of Series C.

The Share Purchase Warrants are to be issued under and pursuant to an indenture (hereinafter referred to as the "Share Purchase Warrant Indenture) to be dated as of October 1, 1962 and to be entered into between the Company and The Canada Trust Company, as trustee. The Share Purchase Warrant Indenture will contain provisions for adjustment of the number of shares issuable pursuant to the privilege attaching to the Share Purchase Warrants in the event of any subdivision or consolidation of the shares in the capital of the Company or in the event of the merger or amalgamation of the Company with or into another corporation or the sale or transfer of its assets as a whole or substantially as a whole. In addition, the Company will covenant in the Share Purchase Warrant Indenture to give at least 30 days public notice to the holders of unexercised Share Purchase Warrants of the record date for payment of any stock dividend on its shares and before issuing to its shareholders pro rata rights to subscribe for additional shares or making any repayment of capital on its shares.

Financial Statements

Inter-Provincial Commercial Discount Corporation Limited Balance Sheet as at April 30, 1962

ASSETS

Current Assets			
Loans and accounts receivable (including interest accrued and less allowance of \$100,992 for doubtful accounts)			
Total Current Assets		\$4,615,821	
Investment in Wholly Owned Subsidiary at Cost Western Aluminum Products Limited (Note 1)		. 313,495	
Fixed Assets—At Cost			
Office furniture and equipment. Leasehold improvements. Automobiles.	\$ 41,768 18,865 8,003		
Less accumulated depreciation	\$ 68,636 25,571	43,065	
Other Assets			
Sundry assets and prepaid expenses	\$ 13,259		
tures and Secured Notes	180,161	193,420	
		236,485	
Total Assets		\$5,165,801	

Approved on behalf of the Board:

(signed) Joseph Frieberg, Director

(signed) ROBERT SCOLNICK, Director

Inter-Provincial Commercial Discount Corporation Limited Balance Sheet as at April 30, 1962

LIABILITIES

CURRENT LIABILITIES	
Demand secured collateral trust notes issued for bank advances. Short term secured collateral trust notes. Other loans on pledged security. Interest payable on debentures.	\$1,367,763 541,000 2,186 28,284
Corporation income taxes payable Employees income tax payable Accounts payable and accrued expenses	14,212 744 11,951
Current portion of long term debt due within the year	67,000
	\$2,033,140
Deferred Unearned interest on notes receivable	\$ 71,511
Reserves	
Customers' holdback U.S. Exchange fluctuation (Note 5)	\$ 443,913 9,563
Long Term Debt—Secured (Note 2)	
63/4% collateral trust notes maturing August 1, 1976	\$ 933,000
	\$ 933,000
Long Term Debt—Unsecured (Note 3)	
$7\frac{1}{2}\%$ debentures maturing November 1, 1975	\$ 436,000 600,000
	\$1,036,000
Capital and Surplus	
Preference shares 5% non voting, non cumulative convertible redeemable par value \$5.00 Authorized	\$ 358,520
Common shares—no par value Authorized600,000 shares	·
Issued and outstanding179,411 shares (Note 4) Earned Surplus	174,819 105,335
	\$ 638,674
Total Liabilities and Capital	\$5,165,801

Inter-Provincial Commercial Discount Corporation Limited

Notes to Balance Sheet as at April 30, 1962

- Note 1: All of the common shares with a par value of \$1.00 each of Western Aluminum Products Limited were acquired in April, 1962 at a cost of \$313,495. 9,722 common shares without par value at \$7.69 per share were issued in part payment of the aggregate consideration paid by the Company for the common shares of the par value of \$1.00 each of Western Aluminum Products Limited. The book value of the net tangible assets of this Company at April 30th, 1962, was \$89,548.
- Note 2: Under the trust deed pursuant to which the 634% Secured Collateral Trust Notes, Series A, are issued, the Company is required to establish a sinking fund to provide for the retirement of \$67,000 principal amount of such Notes on August 1st in each of the years 1962 to 1975, both inclusive.

The said trust deed also provides that additional Collateral Trust Notes, without limit as to aggregate principal amount, may be issued subject to certain limitations.

Note 3: Under the trust deed pursuant to which the 7½% Debentures maturing November 1, 1975 are to be issued, the Company is required to establish a sinking fund to provide for the retirement of \$30,000 principal amount of such Debentures on November 1, in each of the years 1961 to 1974, both inclusive.

Under the trust deed pursuant to which the $6\frac{1}{2}\%$ Subordinated Convertible Sinking Fund Debentures, Series A are issued, the Company is required to establish a sinking fund to provide for the retirement of \$37,500 principal amount of such Debentures on January 15, in each of the years 1969 to 1976, both inclusive. The said trust deed also provides that additional Subordinated Debentures, without limit as to aggregate principal amount, may be issued subject to certain limitations.

Note 4: The Company has issued share purchase warrants entitling the bearers thereof to purchase an aggregate of 25,000 shares in the capital stock of the Company at the following price per share, payable in cash:

\$2.00 per share if the right of purchase is exercised on or before August 1, 1964;

\$3.00 per share if the right of purchase is exercised after August 1, 1964 and on or before August 1, 1966;

\$4.00 per share if the right of purchase is exercised after August 1, 1966 and on or before August 1, 1969; the share purchase warrants will be void after August 1, 1969.

To April 30, 1962, 2,850 of these share purchase warrants have been exercised for a cash consideration of \$5,700.

78,000 common shares without par value are reserved for issue to provide for the conversion of the 6½% Subordinated Convertible Debentures, Series A at the following rates per \$1,000 principal amount of such Debentures;

at the rate of 130 common shares without par value (based on \$7.69 per share) to the close of business on January 15, 1964;

at the rate of 115 common shares without par value (based on \$8.69 per share) after January 15, 1964 to the close of business on January 15, 1966;

at the rate of 100 common shares without par value (based on \$10 per share) after January 15, 1966, to the close of business on January 15, 1969.

Under the trust deed pursuant to which such Debentures are issued, provision is made for the adjustment of the conversion rate in certain events.

71,704 common shares without par value are reserved for issue to provide for conversion, until November 1, 1965 of the Company's outstanding 5% non-voting convertible preferred shares of the par value of \$5.00 each.

Note 5: Included in the Balance Sheet are loans of \$400,000 payable in American funds on which futures have been purchased for;

100,000 at \$105.00 100,000 at \$105.03

- Note 6: The Company was contingently liable at April 30, 1962 on a letter of credit for \$118,400.
- Note 7: The Company has authorized an issue of \$1,000,000 principal amount of Secured Collateral Trust Notes to be dated September 1, 1962, to mature September 1, 1977 and to bear interest at the rate of 6%4% per annum. The Company is presently negotiating the sale of this issue of Notes, designated 6%4% Secured Collateral Trust Notes, Series B, and if and when issued and sold, the Notes of Series B will rank pari passu with the Notes of Series C offered by this Prospectus. Under the supplemental trust deed pursuant to which the Notes of Series B are to be issued the Company will be required to establish a sinking fund to provide for the retirement of \$67,000 principal amount of Notes of Series B on September 1, in each of the years 1963 to 1976, both inclusive.

The Company has authorized for immediate issue \$1,000,000 principal amount of Secured Collateral Trust Notes to be dated October 1, 1962, to mature October 1, 1977 and to bear interest at the rate of 63,4% per annum, being the Notes offered by this Prospectus. These Notes are being sold by the Company's agents, and if and when issued and sold the Notes of Series C will rank pari passu with the Notes of Series B and Series A. Under the supplemental trust deed pursuant to which the Notes of Series C are to be issued the Company will be required to establish a sinking fund to provide for the

retirement of 6.7% of the principal amount of all the Notes of Series C issued prior to the close of business on the 60th day preceding the date on which such sinking fund shall be due in each of the years 1963 to 1976, both inclusive, whether or not all of such Notes presently issued are then outstanding.

The Company proposes to issue share purchase warrants on the basis of 10 common shares for each \$500 principal amount of Notes of Series B issued entitling the bearers thereof to purchase an aggregate of 20,000 common shares without par value in the capital of the Company at the following prices per share, payable in cash:

\$ 7.75 per share if the right of purchase is exercised on or before September 1, 1965;

\$ 8.75 per share if the right of purchase is exercised after September 1, 1965 and on or before September 1, 1967; \$10.00 per share if the right of purchase is exercised after September 1, 1967 and on or before September 1, 1969;

the share purchase warrants will be void after September 1, 1969.

The Company proposes to issue share purchase warrants on the basis of 10 common shares for each \$500 principal amount of Notes of Series C issued entitling the bearers thereof to purchase an aggregate of 20,000 common shares without par value in the capital of the Company at the following prices per share, payable in cash:

\$ 7.75 per share if the right of purchase is exercised on or before October 1, 1965;

\$ 8.75 per share if the right of purchase is exercised after October 1, 1965 and on or before October 1, 1967;

\$10.00 per share if the right of purchase is exercised after October 1, 1967 and on or before October 1, 1969; the share purchase warrants will be void after October 1, 1969.

Auditors' Report

To the Directors,
Inter-Provincial Commercial Discount Corporation Limited,
Toronto, Ontario.

We have examined the Balance Sheet of Inter-Provincial Commercial Discount Corporation Limited as at April 30, 1962 and have made such tests of the Company's records as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet presents fairly and in accordance with generally accepted accounting principles, the financial position of Inter-Provincial Commercial Discount Corporation Limited as at April 30, 1962 according to the information and explanations we have required and as shown by the books of the Company.

Toronto, Ontario, August 28, 1962. (signed) Resnick, Wintraub & Co. Chartered Accountants.

Western Aluminum Products Limited and its Wholly Owned Subsidiary — D.H.I. (Alberta) Ltd.

Combined Statement of Earnings for the nine month period ended December 31, 1961 and

for the four month period ended April 30, 1962

<u>Period</u>		rofit (Loss) Bei Depreciation Interest on Borrowed Mon and Taxes on Income		fit (Loss) Before Interest on Borrowed Money and Taxes on Income	Interest on Borrowed Money	Profit (Loss) Before Taxes on Income	Provision for Income Tax (Refund)	Net Profit (Loss)
9 months ended Dec. 31, 1961	\$1,510,184	\$118,974	\$4,804	\$114,170	\$28,023	\$ 86,147	\$36,549	\$49,598
4 months ended April 30, 1962 (Note 3)	420,508	(2,602)	1,881	(4,483)	7,105	(11,588)	(4,154)	(7,434)

Western Aluminum Products Limited

and its Subsidiary—D.H.I. (Alberta) Ltd. Consolidated Balance Sheet as at April 30, 1962

ASSETS

Current Assets				
Advances to amplement			\$312,509.62 9,559.38	\$302,950.24
Advances to employees. Merchandise inventory—at the lower of cost Prepaid expenses	t or market val	lue		11,499.21 331,621.58 14,315.74
Total current assets				660,386.77
Fixed Assets	Original Cost	Accumulated Depreciation	Residual Value	
Factory equipment Office furniture and equipment Automotive equipment	\$ 29,862.77 10,221.11 6,328.70	\$ 12,870.16 3,687.15 4,165.67	\$ 16,992.61 6,533.96 2,163.03	
	\$ 46,412.58	\$ 20,722.98		25,689.60
LEASEHOLD IMPROVEMENTS—UNAMORTIZED INCORPORATION EXPENSES				1,126.43 374.40
EXCESS OF VALUATION ATTRIBUTED TO SHARES I OF SUBSIDIARY OVER NET BOOK VALUE—(N				45,815.04
or Subsidiary Over Iver Dook Value—(1)	000 1)			\$733,392.24
LIADILITIES AND				
	SHAREHOL	DERS' EQUI	ITY	
CURRENT LIABILITIES			ITY	Ø F0 7F1 F0
Current Liabilities Bank overdraft			ITY	\$ 53,751.53 208.000.00
Current Liabilities Bank overdraft Bank loan—secured Accounts payable and accrued			ITY	208,000.00 148,844.99
Current Liabilities Bank overdraft Bank loan—secured Accounts payable and accrued Employees tax deductions				208,000.00
Current Liabilities Bank overdraft Bank loan—secured Accounts payable and accrued			\$ 36,548.63 4,154.15	208,000.00 148,844.99
Current Liabilities Bank overdraft Bank loan—secured Accounts payable and accrued Employees tax deductions Income tax payable—prior year Less: Estimated refund arising from current Loans payable—secured	year's loss		\$ 36,548.63 4,154.15 \$108,083.45	208,000.00 148,844.99 2,878.20 32,394.48
Current Liabilities Bank overdraft	year's loss		\$ 36,548.63 4,154.15	208,000.00 148,844.99 2,878.20 32,394.48 102,108.10
Current Liabilities Bank overdraft	year's loss		\$ 36,548.63 4,154.15 \$108,083.45	208,000.00 148,844.99 2,878.20 32,394.48 102,108.10 \$547,977.30
Current Liabilities Bank overdraft Bank loan—secured Accounts payable and accrued Employees tax deductions Income tax payable—prior year Less: Estimated refund arising from current Loans payable—secured Less: Holdback retained Total current liabilities Interest of Preferred Shareholders of D.H.I Shareholders' Equity	year's loss		\$ 36,548.63 4,154.15 \$108,083.45	208,000.00 148,844.99 2,878.20 32,394.48 102,108.10
Current Liabilities Bank overdraft Bank loan—secured Accounts payable and accrued Employees tax deductions Income tax payable—prior year Less: Estimated refund arising from current Loans payable—secured Less: Holdback retained Total current liabilities Interest of Preferred Shareholders of D.H.I	year's loss(Alberta) Lt	TD.—(NOTE 2) of \$1.00 each	\$ 36,548.63 4,154.15 \$108,083.45	208,000.00 148,844.99 2,878.20 32,394.48 102,108.10 \$547,977.30

Approved on Behalf of the Board of Directors:

(signed) D. H. ESPEY, Director.

(signed) ROBERT SCOLNICK, Director.

Western Aluminum Products Limited and its Subsidiary—D.H.I. (Alberta) Ltd.

Notes to Financial Statements

- Note 1: On April 10, 1962, Western Aluminum Products Limited acquired all of the outstanding common share capital of D.H.I. (Alberta) Ltd. in consideration for the issue of five shares of the capital stock of Western Aluminum Products Limited. Accordingly, the consolidated earned surplus does not reflect the accumulated losses of the subsidiary company, as they were incurred prior to acquisition of the stock by Western Aluminum Products Limited. Accumulated losses of D.H.I. (Alberta) Ltd. from the inception of the Company in May, 1959 to April 30, 1962 amounted to \$45,813.04.
- Note 2: The outstanding preferred shares of D.H.I. (Alberta) Limited are non-cumulative and non-voting. There are no dividends declared and unpaid in respect of these preferred shares.
- Note 3: In viewing the earnings for the four month period ended April 30, 1962 it should be borne in mind that this winter period represents the slow season in the industry.

Auditors' Report

To The Directors, Western Aluminum Products Limited, Calgary, Alberta.

We have examined the consolidated balance sheet of Western Aluminum Products Limited and its wholly-owned subsidiary D.H.I. (Alberta) Ltd. as at April 30, 1962 and the combined statement of earnings for the nine months ended December 31, 1961 and the four months ended April 30, 1962, and have obtained all the information and explanations which we required.

The operations of the subsidiary did not come within the scope of our examination and we have relied upon the reports of the independent auditors of that company.

We report that in our opinion the accompanying consolidated balance sheet and the combined statement of earnings for the periods ended December 31, 1961 and April 30, 1962 are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the companies as at April 30, 1962, and the results of their operations for the periods ended December 31, 1961 and April 30, 1962, according to the information and explanations given to us and as shown by the books of the companies.

Calgary, Alberta. May 25, 1962. (signed) Collins & Hames
Chartered Accountants.

STATUTORY INFORMATION

- (a) The full name of the Company is Inter-Provincial Commercial Discount Corporation Limited (hereinafter called "the Company") and the address of the head office of the Company is at 1541 Davenport Road, Toronto 4, Ontario.
- (b) The Company was incorporated under the Corporations Act, 1953 (Ontario) by Letters Patent dated July 20, 1956. Supplementary Letters Patent were issued to the Company on May 17, 1957, August 8, 1957, October 31, 1960 and December 28, 1961.
- (c) The general nature of the business actually transacted by the Company is the commercial financing of manufacturers and wholesalers principally by purchasing their accounts receivable with recourse.
- (d) The Officers, Directors and Auditors of the Company are as follows:

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Joseph Frieberg	President	.4 Burton Road, Toronto, Ontario.		
ROBERT SCOLNICK	Vice-President and Secretary	.23 Ava Road, Toronto, Ontario.		
	Directors			
RICHARD ARTHUR DALY, JR	Investment Dealer	.80 Lynwood Avenue, Toronto, Ontario.		
Joseph Frieberg	.Executive	.4 Burton Road, Toronto, Ontario.		
Thomas Herbert Gooch	.Executive	.19 Silverwood Avenue, Toronto, Ontario.		
WILLIAM NISBET HOVEY	Investment Dealer	.3 Apsley Road, Toronto, Ontario.		
ROBERT SCOLNICK	Executive	.23 Ava Road, Toronto, Ontario.		
ERIC DUFF SCOTT	Investment Dealer	.66 Admiral Road, Toronto, Ontario.		
Auditors				
RESNICK, WINTRAUB & Co	Chartered Accountants	.2 Carlton St., Toronto, Ontario.		

Collins & Hames, Chartered Accountants, 505-8th Avenue S.W., Calgary, Alberta are auditors for the Company's wholly-owned subsidiary, Western Aluminum Products Limited.

(e) Montreal Trust Company is the trustee with respect to the Secured Collateral Trust Notes referred to in paragraph (h) of this statutory information and will also be the trustee of the Secured Collateral Trust Notes, Series C, offered by this Prospectus.

Registers upon which such Secured Collateral Trust Notes may be registered or upon which transfers of registered Secured Collateral Trust Notes may be recorded are kept by the said trustee at its principal office in Toronto.

The Canada Trust Company at its main offices at Toronto and Montreal is the transfer agent and Registrar for the common shares without par value and the 5% non-voting convertible preference shares of the par value of \$5.00 each of the Company.

The Canada Trust Company is trustee for the $7\frac{1}{2}\%$ Sinking Fund Debentures referred to in paragraph (h) of this statutory information. Registers upon which such Debentures may be registered or upon which transfers of registered Debentures may be recorded will be kept by the said trustee at its main offices at Toronto and Montreal.

Canada Permanent Toronto General Trust Company is trustee for the 61/2% Subordinated Debentures, Series A, referred to in paragraph (h) of this statutory information. Registers upon which such Debentures may be registered or upon which transfers of registered Debentures may be recorded will be kept by the said trustee at its principal offices at Toronto and Montreal.

(f) The particulars of the share capital of the Company, authorized, issued and paid up, are as follows:

Class	Authorized	Issued and Paid up
5% non-voting convertible preference shares of the par value of \$5.00 each	100,000	71,704
Common shares without par value	600,000	179,411

- (g) The rights, conditions, restrictions, limitations and prohibitions attached to the 5% non-voting convertible preference shares and to common shares of the Company are as follows:
 - (1) The holders of the preference shares shall in each year in the discretion of the board of directors, but always in preference and priority to any payment of dividends on the common shares for such year, be entitled out of any or all profits or surplus available for dividends, to non-cumulative dividends at the rate of five per cent (5%) per annum on the amount paid up thereon; if in any year, after providing for the full dividend on the preference shares, there shall remain any profits or surplus available for dividends, such profits or surplus or any part thereof may, in the discretion of the board of directors, be applied to dividends on the common shares; the holders of the preference shares shall not be entitled to any dividend other than or in excess of the non-cumulative dividends at the rate of five per cent (5%) per annum hereinbefore provided;
 - (2) In the event of the liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, the holders of the preference shares shall be entitled to receive, before any distribution of any part of the assets of the Company among the holders or any other shares, the amount paid up thereon and any dividends declared thereon and unpaid and no more;
 - The Company may, upon giving notice as hereinafter provided, redeem at any time the whole or from time to time any part of the preference shares on payment for each share to be redeemed of the amount paid up thereon, together with all dividends declared thereon and unpaid, and where at any time some but not all of such shares are to be redeemed the shares to be redeemed shall be selected as nearly as may be in proportion to the number of shares registered in the name of each shareholder; not less than thirty (30) days' notice in writing of such redemption shall be given by mailing such notice to the registered holders of the shares to be redeemed at the address shown on the share register of the Company, specifying the date and place or places of redemption; accidental failure to give such notice to any shareholder shall not affect the validity of the redemption of any preference shares; if notice of any such redemption be given by the Company in the manner aforesaid and an amount sufficient to redeem the shares be deposited with any trust company or chartered bank in Canada, as specified in the notice, on or before the date fixed for redemption, dividends on the preference shares to be redeemed shall cease after the date so fixed for redemption, and the holders thereof shall thereafter have no rights against the Company in respect thereof except, upon the surrender of certificates for such shares, to receive payment therefor out of the moneys so deposited;

- (4) The Company may, at any time and from time to time, purchase for cancellation in the market or by private contract the whole or any part of the preference shares at the lowest price at which, in the opinion of the board of directors, such shares are obtainable but not exceeding the amount paid up thereon, together with all dividends declared thereon and unpaid;
- (5) The holders of the preference shares shall not be entitled to vote at any meetings of the share-holders of the Company but shall be entitled to notice of meetings of shareholders called for the purpose of authorizing the dissolution of the Company or the sale of its undertaking or a substantial part thereof;
- (6) The authorization for an application for the issue of supplementary letters patent to delete or vary any preference, right, condition, restriction, limitation or prohibition attaching to the preference shares or to create preference shares ranking in priority to or on a parity with the preference shares, in addition to the authorization by a special resolution, may be given by at least two-thirds (2/3) of the votes cast at a meeting of the holders of the preference shares duly called for that purpose;
- (7) At any time up to twelve (12) o'clock noon, Eastern Standard Time, on the First day of November, One thousand, nine hundred and sixty-five, except when the transfer books of the Company are closed, any holder of preference shares, not being indebted to the Company, shall be entitled to have any or all of the preference shares held by him converted into common shares of the Company on the basis of one (1) common share for each preference share which such holder may desire to convert; in order to exercise such right of conversion such holder shall deliver to the Secretary of the Company or to the Company's transfer agent and surrender the certificate representing the preference shares which he desires to convert, together with a written notice exercising such right of conversion, which notice shall state the name or names in which he wishes the certificate or certificates for the common shares to be issued and the address to which he wishes such certificate or certificates for common shares to be sent; he shall also pay any governmental or other tax imposed in respect of such transaction; the common shares resulting from such conversion shall be deemed to be fully paid and non-assessable; and after the date of surrender the preference shares shall be converted into common shares and the holders thereof shall cease to have any rights in respect thereof except the right to receive any arrears of dividends declared and unpaid thereon and the right to receive a certificate or certificates for common shares; in the event of shares of either class being at any time subdivided or consolidated into a greater or lesser number of shares of the same or another class, appropriate adjustment shall be made in the rights and conditions attaching to the preference shares and common shares respectively so as to preserve in all respects the benefits hereby conferred on the holders of each class. The common shares carry one vote for each share held.
- (h) The Company has outstanding the following secured collateral trust notes and debentures:

63/4% Sinking Fund Secured Collateral Trust Notes, Series A, due August 1, 1976	\$ 927,500
7½% Debentures, due November 1, 1975	436,000
Short Term Secured Collateral Trust Notes—issued under Trust Deed dated August 3, 1961	1,264,000
Demand Secured Collateral Trust Notes—issued under Trust Deed dated August 3, 1961	1,150,000
6½% Subordinated Convertible Sinking Fund Debentures, Series A due January 15, 1977	600,000

The said 634% Sinking Fund Secured Collateral Trust Notes, Series A and the said Short Term and Demand Secured Collateral Trust Notes issued under the Trust Deed dated August 3, 1961 are issued under the provisions of a Deed of Trust and Mortgage dated as of August 3, 1961, (herein sometimes referred to as the "1961 Deed of Trust and Mortgage"), between the Company and Montreal Trust Company, as Trustee. The Secured Collateral Trust Notes issued under the 1961 Deed of Trust and Mortgage are

secured in part by way of a first fixed and specific mortgage on certain assets of the Company and in part by way of a first floating charge. The 1961 Deed of Trust and Mortgage provides for the issuance of additional Secured Collateral Trust Notes unlimited as to aggregate principal amount.

The said Short Term and Demand Secured Collateral Trust Notes issued under the Trust Deed dated May 10, 1957, are issued under the provisions of a Deed of Trust dated as of May 10, 1957 (herein sometimes referred to as the "1957 Deed of Trust") between the Company and Montreal Trust Company, as Trustee. The Secured Collateral Trust Notes issued under the 1957 Deed of Trust are secured by way of an absolute assignment to the Trustee of certain assets of the Company. The amount of Secured Collateral Trust Notes that may be issued under the 1957 Deed of Trust is unlimited.

The said $7\frac{1}{2}\frac{C_0}{O}$ Debentures, due November 1, 1975 are issued under the provisions of a Deed of Trust dated as of November 1, 1960 (herein sometimes referred to as the "1960 Deed of Trust") between the Company and The Canada Trust Company, as Trustee. The said $7\frac{1}{2}$ % Debentures, due November 1, 1975, are direct obligations of the Company but are not secured by any mortgage, pledge or other charge. The 1960 Deed of Trust provides for the issue thereunder of a further \$1,500,000 aggregate principal amount of debentures.

The said 6½% Subordinated Convertible Sinking Fund Debentures, Series A are issued under the provisions of a Trust Deed dated January 15, 1962 (herein sometimes referred to as the "1962 Deed of Trust") between the Company and Canada Permanent Toronto General Trust Company, as Trustee. The said 6½% Subordinated Debentures due January 15, 1977, are direct obligations of the Company but are not secured by any mortgage, pledge or other charge. The amount of Subordinated Debentures that may be issued under the 1962 Deed of Trust is unlimited.

The said 634% Sinking Fund Secured Collateral Trust Notes, Series A, the said Short Term Secured Collateral Trust Notes and the said Demand Secured Collateral Trust Notes, all of which are issued under the 1961 Deed of Trust and Mortgage, rank pari passu with the 634% Sinking Fund Secured Collateral Trust Notes, Series C referred to in paragraph (k) of this statutory information. The Short Term and Demand Secured Collateral Trust Notes issued under the 1957 Deed of Trust rank ahead of the 634% Sinking Fund Secured Collateral Trust Notes, Series C referred to in paragraph (k) of this statutory information in respect of any assets that may be assigned to the trustee under the 1957 Deed of Trust as security for such Notes issued thereunder. Save as aforesaid no securities have been issued or are proposed to be issued which will rank ahead of or pari passu with the securities hereby offered.

The Company also has outstanding 5% non-voting, non-cumulative redeemable convertible preference shares of the par value of \$5.00 each, particulars whereof appear in paragraph (g) of this statutory information, which rank ahead of the common shares without par value of the Company.

The Company has authorized the issue of \$1,000,000 principal amount of $6\frac{3}{4}\%$ Sinking Fund Secured Collateral Trust Notes, Series B, under the provisions of the 1961 Deed of Trust and Mortgage and a supplemental Trust Deed to be entered into between the Company and Montreal Trust Company, as Trustee. The Company is presently negotiating the sale of these notes of Series B and, if as and when issued and sold, the Notes of Series B will be secured under the 1961 Deed of Trust and Mortgage and the Supplemental Trust Deed herein referred to in part by way of a first fixed and specific mortgage on certain assets of the Company and part by way of a first floating charge.

(i) Since April 30, 1962 an increase of approximately \$505,237 has been effected in short term indebtedness, consisting of short term and demand secured collateral trust notes payable which, as shown in the Balance Sheet as at April 30, 1962 forming part of this Prospectus, was \$1,908,763. As stated in paragraph (m) of this statutory information, the proceeds of the securities offered will be used to reduce such short term indebtedness but it is anticipated that the expansion of the business of the Company will continue and additional short term indebtedness will be incurred in the ordinary course thereof. Otherwise, no substantial indebtedness has been or is to be created or assumed which is not shown in the said Balance Sheet as at April 30, 1962 other than the proposed issue of \$1,000,000 principal amount of 634% Sinking Fund Secured Collateral Trust Notes, Series B referred to in paragraph (h) of this statutory information and in Note 7 to the said Balance Sheet and the issue of \$1,000,000 principal amount of 634% sinking fund Secured

Collateral Trust Notes Series C (being the securities offered by this Prospectus) referred to in paragraph (j) of this statutory information and in Note 7 to the said Balance Sheet.

- (j) There are no options outstanding or proposed to be given on securities of the Company. However: (i) the 5% non-voting non-cumulative convertible redeemable preference shares of the par value of \$5.00 each in the capital of the Company, of which 71,704 are presently issued and outstanding are convertible into common shares without par value in the capital of the Company on the basis referred to in clause (7) of paragraph (g) of this statutory information; and (ii) the Company has issued and outstanding share purchase warrants entitling the holders thereof to purchase an aggregate of 22,150 common shares without par value in the capital of the Company at \$2 per share if exercised on or before August 1, 1964, at \$3 per share if exercised thereafter and on or before August 1, 1966 and at \$4 per share if exercised thereafter and on or before August 1, 1969; if not exercised on or before August 1, 1969 such share purchase warrants will become void; and (iii) the Company proposes to issue share purchase warrants on the basis of 10 common shares for each \$500 principal amount of Notes of Series B issued entitling the bearers thereof to purchase an aggregate of 20,000 common shares without par value in the capital of the Company at the following prices per share, payable in cash: \$7.75 per share if the right of purchase is exercised on or before September 1, 1965; \$8.75 per share if the right of purchase is exercised after September 1, 1965 and on or before September 1, 1967; \$10.00 per share if the right of purchase is exercised after September 1, 1967 and on or before September 1, 1969; the share purchase warrants will be void after September 1, 1969; and (iv) the Company proposes to issue share purchase warrants, the details of which are given on page 12 of this Prospectus, to which reference is expressly made, entitling the holders thereof to purchase an aggregate of 20,000 common shares without par value in the capital of the Company; such share purchase warrants will be issued to the purchasers of the said Notes of Series C on the basis set out on page 12 of this Prospectus; and (iv) \$600,000 principal amount of $6\frac{1}{2}\%$ Subordinated Convertible Sinking Fund Debentures, Series A are convertible into common shares without par value in the capital of the Company on the basis set out in Note 7 under the heading "Capitalization" appearing on page 3 of this Prospectus to which reference is expressly made.
- (k) The number and correct descriptive title of the securities offered by this Prospectus, the issue price to the public and the terms thereof are as stated on the face of this Prospectus, to which reference is hereby expressly made. Within the two preceding years the Company has issued and sold: (i) \$500,000 principal amount of 71/2% Sinking Fund Debentures maturing November 1, 1975 for a consideration received in cash of \$450,000; such Debentures were sold by the Company to R. A. Daly & Company Limited; and (ii) \$1,000,000 principal amount of 63/4% Sinking Fund Secured Collateral Trust Notes maturing August 1, 1976, for a consideration received in cash of \$950,000; such Notes were sold by the Company to I. H. Crang & Co., and Equitable Securities Canada Limited; (iii) in the ordinary course of business varying amounts of Short Term and Demand secured Collateral Trust Notes; such Notes were sold by the Company to its bankers and other lenders either directly or, in the case of certain Short Term Secured Collateral Trust Notes, through its agents J. H. Crang & Co., Equitable Securities Canada Limited and R. A. Daly & Company Limited; the Company paid to its said agents, in respect of all such Notes sold by them, a fee equal to 8¢ per month from date of issue to maturity for each \$100 principal amount of such Notes; (iv) \$600,000 principal amount of 61/2% Subordinated Convertible Sinking Fund Debentures, Series A, maturing January 15, 1977, for a consideration received in cash of \$558,000; such Debentures were sold by the Company to J. H. Crang & Co., Equitable Securities Canada Limited and R. A. Daly & Company Limited. The Company has also within the two preceding years; (i) issued 2,850 common shares without par value upon the exercise of share purchase warrants and has received therefor aggregate consideration of \$5,700; and (ii) issued 4,000 common shares without par value on exchange of outstanding 5% non-voting convertible preference shares of the par value of \$5.00 each; and (iii) issued 9,722 shares without par value to certain vendors of shares in the capital stock of Western Aluminum Products Limited particulars of which are set forth in paragraphs (t) and (u) of this statutory information.
- (1) The estimated net proceeds to be derived by the Company on the sale of the Notes of Series C, hereby offered on the basis of the same being fully taken up and paid for are \$935,000 less legal, audit, printing and other expenses, estimated to be \$20,000, in connection with the issue thereof.

- (m) The estimated net proceeds to be derived from the sale of the Notes of Series C hereby offered will be used to reduce the outstanding demand secured collateral trust notes referred to in paragraph (h) of this statutory information.
- (n) No minimum amount, in the opinion of the directors, must be raised by the sale of the securities offered by this Prospectus.
- (o) By an agreement dated August 28, 1962, between the Company and J. H. Crang & Company, Equitable Securities Canada Limited, and R. A. Daly & Company Limited (herein sometimes called the "Agents") the Agents have agreed to solicit and receive subscriptions for the Notes of Series C hereby offered in consideration of a commission of \$5.00 for each \$100 principal amount of Notes of Series C subscribed for and actually allotted.
- (p) The by-laws of the Company provide that each of the directors shall receive such remuneration as the board of directors shall from time to time fix by resolution.
- (q) The aggregate remuneration paid to the directors of the Company as such during the last financial year ended July 31, 1961 was \$350 and it is estimated that their aggregate remuneration during the current financial year will be approximately \$1,000. The aggregate remuneration paid to officers of the Company who individually received more than \$10,000 during the last financial year was \$20,000 and it is estimated that the aggregate remuneration which will be payable to such officers during the current financial year will be \$22,500.
- (r) During the two preceding years the Company has paid or agreed to pay the commissions referred to in paragraphs (k) and (o) of this statutory information. If the Company's agents are successful in negotiating the sale of the Notes of Series B referred to in paragraph (h) of this statutory information, the Company will pay its agents J. H. Crang & Company, Equitable Securities Canada Limited and R. A. Daly & Company Limited a commission of \$5.00 for each \$100 principal amount of Notes of Series B issued and sold.
- (s) The Company has been carrying on business since 1956.
- (t) The Company has purchased all the issued and outstanding common shares of the par value of \$1.00 each in the capital of Western Aluminum Products Limited for a consideration of \$313,495. Of this sum \$238,733 was paid in cash and the balance was satisfied by the issue of 9,722 common shares without par value in the capital of the Company at a value of \$7.69 per share. The Company has not purchased or acquired nor does it propose to purchase or acquire any other property, the purchase price of which is to be defrayed in whole or in part out of the proceeds of the balance of the securities offered by this Prospectus except accounts receivable and obligations acquired in the ordinary course of business.
- (u) The names and addresses of the vendors of the shares of Western Aluminum Products Limited referred to in paragraph (t) of this statutory information and the purchase price paid to each of them respectively in cash and securities of the Company are as follows:

Vendor	No. of shares sold	Purchase Price	Received cash or shares	Address
Inter-Provincial Factors Company Limited	14	\$183,773	\$183,773	1541 Davenport Road, Toronto, Ontario.
Mastino Della Scala	5	\$ 54,960	\$ 54,960	67 Centre St. W., Brampton, Ontario.
David H. Espey	3	\$ 37,381	4,861 shares	3448 Chippendale Dr., Calgary, Alberta.
Frederick K. Howard	3	\$ 37,381	4,861 shares	257-24 Ave. N.E., Calgary, Alberta.
		\$313,495		Caigary, Inderea.

The amount of \$313,495 paid to the above named vendors did not include any amount paid for good-will, however the aggregate purchase price of the shares of Western Aluminum Products Limited exceeded the book value of the net tangible assets of this company by an amount of \$223,947.

As the names and addresses of the debtors of accounts receivable or other obligations which may be acquired by the Company in the ordinary course of business will not be known until such accounts receivable or other obligations are acquired, such names and addresses may not be disclosed here or the amounts to be paid to each.

- (v) Except as stated in paragraph (t) of this statutory information no securities of the Company have been issued or agreed to be issued by the Company otherwise than in cash within the two years preceding the date hereof. As stated in paragraph (j) of this statutory information certain common shares of the Company have been and may be issued on conversion of the 5% non-voting non-cumulative convertible redeemable preference shares of the par value of \$5.00 each in the capital of the Company and the Subordinated Debentures, Series A.
- (w) The \$1,000,000 principal amount of Notes of Series C offered by this prospectus will be issued under a Trust Deed dated August 3, 1961, and a Supplemental Trust Indenture to be dated as of October 1, 1962, executed by the Company in favour of Montreal Trust Company, as Trustee. In the opinion of Counsel such Notes of Series C will be direct obligations of the Company and will be secured under or pursuant to such Trust Deed and Supplemental Trust Indenture by a first fixed and specific mortgage, pledge and charge and by a first floating charge, all as set out in such Trust Deed and Supplemental Trust Indenture.
- (x) No services have been rendered or are to be rendered to the Company which are to be paid for by the Company wholly or partly out of the proceeds of the securities offered by this prospectus or have been within the last two preceding years or are to be paid for by securities of the Company except for legal, auditing, printing and other expenses referred to in paragraph (1) hereof.
- (y) No amount has been paid during the last two preceding years or is intended to be paid by the Company to any promoter.
- (z) The Company has not entered into any material contracts within the two preceding years other than contracts in the ordinary course of business except the following: (i) agreement made October 14, 1960, by which R. A. Daly & Company Limited agreed to purchase and the Company agreed to sell, subject to fulfilment of certain conditions, \$500,000 principal amount of 71/2% sinking Fund Debentures, maturing November 1, 1975; (ii) agreement made July 26, 1961, by which J. H. Crang & Company and Equitable Securities Canada Limited agreed to purchase and the Company agreed to sell, subject to the fulfilment of certain conditions, \$1,000,000 principal amount of 63/4% Sinking Fund Secured Collateral Trust Notes, Series A maturing August 1, 1976; (iii) agreement made November 15, 1961, by which the Company appointed I. H. Crang & Company, Equitable Securities Canada Limited and R. A. Daly & Company Limited its agents to sell, from time to time, short term obligations of the Company; (iv) agreement made January 5, 1962, by which J. H. Crang & Company, Equitable Securities Canada Limited, and R. A. Daly & Company, Limited agreed to purchase and the Company agreed to sell, subject to the fulfilment of certain conditions, \$600,000 principal amount of 61/2% Subordinated Convertible Sinking Fund Debentures, Series A, maturing January 15, 1977; (v) agreement made August 28, 1962 by which J. H. Crang & Company, Equitable Securities Canada Limited, and R. A. Daly & Company Limited agreed to act as agents for the Company to solicit and receive subscriptions for up to \$1,000,000 principal amount of 6\%4\% Sinking Fund Secured Collateral Trust Notes, Series C, maturing October 1, 1977; and (vi) two agreements made as of April 10, 1962 by which the Company agreed to purchase and David Espey, Frederick K. Howard, Mastino Della Scala and Inter-Provincial Factors Company Limited agreed to sell 25 common shares, being all the outstanding shares, of the capital stock of Western Aluminum Products Limited for a consideration of \$313,495.

Copies of the foregoing contracts may be inspected at the head office of the Company during ordinary business hours while primary distribution to the public of the securities hereby offered is taking place. The business of the Company requires continual borrowings from Chartered Banks and others. Agreements regarding such borrowings are regarded as contracts entered into in the ordinary course of business carried on by the Company.

(za) Inter-Provincial Factors Company Limited was the owner of 14 common shares of the par value of \$1.00 each of Western Aluminum Products Limited sold to the Company as referred to in paragraphs (t)

and (u) of this statutory information. Joseph Frieberg and Robert Scolnick are the majority shareholders of Inter-Provincial Factors Company Limited. Save as aforesaid none of the directors had or has any interest in any property acquired by the Company within the two years preceding the date hereof or at present proposed to be acquired by the Company.

(zb) By agreement dated April 10, 1962, between, inter alia, David Espey, Frederick K. Howard and the Company, the said David Espey and Frederick K. Howard have agreed to deposit in escrow with The Canada Trust Company share certificates representing an aggregate of 9,722 common shares in the capital of the Company. Such shares may be released from escrow on the termination of employment of David Espey and Frederick K. Howard with Western Aluminum Products Limited or five years from April 10, 1962 or with the express consent of the Board of Directors of the Company whichever shall first occur.

The Company has entered into an Agreement with J. H. Crang & Company dated August 28, 1962 that it will not consent to the release of such shares from escrow without the consent of J. H. Crang & Company.

(zc) There are no other material facts not disclosed in the foregoing.

DATED August 28, 1962.

The foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 39 of The Securities Act (Ontario) and under the Quebec Securities Act and there is no further material or information applicable other than in the financial statements or reports where required or exigible.

Directors

(signed) Eric D. Scott

(signed) T. H. GOOCH by ERIC D. SCOTT, Agent

(signed) R. A. DALY, JR.

(signed) W. N. HOVEY by W. H. ZIMMERMAN, Agent

(signed) JOSEPH FRIEBERG

(signed) ROBERT SCOLNICK

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 39 of The Securities Act (Ontario) and under the Quebec Securities Act and there is no further material or information applicable other than in the financial statements or reports where required or exigible. In respect of matters which are not within our knowledge, we have relied upon the accuracy of the foregoing.

Agents

J. H. CRANG & COMPANY by (signed) M. J. HOWE

Equitable Securities Canada Limited by (signed) G. M. Wilson

R. A. Daly & Company Limited by (signed) R. A. Daly, Jr.

The following are the names of the partners of J. H. Crang & Company: J. H. Crang, E. D. Scott, L. L. Masson, D. A. Fitzgerald, M. J. Howe, Paul Robert, O. A. H. Sims, G. C. Donley (Ltd.).

The following are the names of every person having an interest either directly or indirectly to the extent of not less than Five per cent (5%) in the capital of Equitable Securities Canada Limited: William N. Hovey, George M. Wilson, John S. Hill, Blair B. Deale, James R. South, Donald J. Rogers, Martin G. Kent and A. Donald McEwen.

The following are the names of every person having an interest either directly or indirectly to the extent of not less than Five per cent (5%) in the capital of R. A. Daly & Company Limited: J. H. Christie, R. A. Daly, Jr., T. E. Rogers, D. C. Bainbridge, W. L. Goldsmith.